

May News Letter

Spring is here and summer is just around the corner. In this newsletter I will give you an update on what is happening in the 2012-2013 legislative session. Recent events that will impact our state and recent reports on financial education.

Legislative Update

The 2013 Legislature passed a current-law transportation budget and didn't reach agreement on capital and operating budgets before the end of their regular session on April 28th. Because they have considerable work left to do, Governor Inslee called the Legislature back for a special session, beginning May 13th, that can last up to 30 days. While the focus is going to be on the budgets, the agenda is not limited.

New state operating and capital budgets must be enacted before July 1st to provide spending authority to state government for the 2013-15 biennium. Budget negotiators are expected to begin work now in an effort to iron out their differences before the Legislature reconvenes next month. The House and Senate take substantially different views about taxes and spending levels in their respective budgets so they will need more time to find common ground.

As the state's chief financial officer, I wrote a letter to Legislative leaders and Gov. Inslee to share his concerns about how certain actions in the House and Senate budgets would be viewed by credit rating agencies.

Washington State Wins National "Excellence in Disclosure" Award

May 8, 2013

Washington State earned top honors from [The National Federation of Municipal Analysts](#) (NFMA) this year with the "Excellence in Disclosure Award for a General Government." The federation presents the awards annually to recognize those issuers who support credit analysts by providing full and timely disclosure.

"The State of Washington provides an excellent website for investors that includes complete disclosure information, such as financial reports, debt management documents, credit reports and links to other state agencies," the federation explained in the award announcement.

This award is a clear reflection of Washington's financial transparency and open government.

Investors and the public at large have a right to access and transparency when it comes to the way the state manages its money. As Treasurer, I've made accountability to that expectation a top priority. It's encouraging to see our efforts recognized by the experts who make a living evaluating government finances.

Since January of 2009, Washington state has sold \$8.3 billion of new bonds refinanced \$5.1 billion of existing debt on state projects such as highways, bridges, and schools. Lower than expected rates on the new bonds and the refinancing have saved taxpayers over \$1.6 billion.

Financial Capability in the United States

A recent report was released by FINRA Investor Education Foundation that looked at the overall financial capability in our country. The results were from a survey of 25,000 adults. This report focused on four key components of financial capability.

- Making ends Meet
- Planning Ahead
- Managing Financial products and Decision Making

When you look at Washington vs the United States 39 % spend less than they make while the national average is 41%. We are slightly higher than the national average in terms of rainy day funds at 41% and 40% respectively, however, this is down from 2009 at where 43% of families had rainy day funds. Alarming, 33% of Washington families use non-bank institutions for borrowing. This rate is not far from the nation's highest average of 40% in Oklahoma. Looking at home equity 22% of Washington families are underwater compared to the nation's highest of 35% in Nevada. Finally, the participants were asked to take a short financial literacy test. 56% of Washington families got 3 or fewer questions correct and this is an increase from 2009's rate of 50%. Which means our families do not have less financial knowledge than they did 4 year ago.

This report illustrates that there is still a lot of work to be done in our state around financial education and capability. My office is dedicated to financial education for adults and youth and will continue to step up our efforts to provide financial education opportunities. If you would like more information about our financial education efforts please contact Gina Stark, Director of External Affairs at regina.stark@tre.wa.gov.

The report can be view at:

http://www.usfinancialcapability.org/downloads/NFCS_2012_Report_Natl_Findings.pdf

Calendar Event

Apprisen is offering a free webinar, “**First Time Homebuyer,**” on **June 25 at noon and June 26 at 10 .m.** Register at www.Apprisen.com/Listenlearn. Apprisen help families with counselling and financial education that help them make sound fiscal decisions.

Skagit River Bridge Collapse

I am sure you have all heard about the collapse of the Skagit River Bridge on I-5. We are very thankful that it only resulted in minor injuries. We all know it could have been a lot worse. Until the bridge can be replace it will be very challenging for those who depend on the I-5 corridor in terms of traffic flow and the overall economic vitality of the area. We will continue to do our part to help restore the I-5 corridor and the Skagit Valley area.

As always I enjoy hearing from you. If you have any questions, comments, or events please feel free to contact me. Until Next time.

Jim McIntire